

# **OHIO'S CHANGING AGRICULTURE**

**An Act of Deliberate and  
Purposeful Self-Destruction**

**and/or**

**An Unplanned and Unintended  
Consequence**

**Allan Lines  
Megatrends Conference  
Columbus, Ohio  
March 6, 2000**

# **Capitalism**

**A Process of Creative  
Destruction**

**Sons and Daughters of  
Farmers Had/Have a  
Primary Task**

**“FIGURE OUT HOW TO  
PUT DAD OUT OF  
BUSINESS”**

# **WHY?**

**Consumer Demands are  
Changing**

**Dad Served Needs/Wants of  
Historical Consumer**

**New Farmer Must Serve  
Needs/Wants of New  
Consumer**

# **To Paraphrase Then Candidate Clinton**

**“It’s Cost Control Stupid”**

**Profit = Units (Price – Cost)**

**Profitable Management  
Is  
Cost Control and Units**

# GRAIN FARM

**New Green Combine**

**\$330,000**

**\$66,000 Fixed Costs/Year**

<b>Acres Harvested</b>	<b>Fixed Cost Per Acre</b>
<b>1000</b>	<b>\$ 66</b>
<b>2000</b>	<b>33</b>
<b>4000</b>	<b>16</b>
<b>6000</b>	<b>11</b>
<b>8000</b>	<b>8</b>
<b>10000</b>	<b>7</b>

# DAIRY FARM

**Milking Parlor (2x16)**

**\$250,000**

**\$50,000 Fixed Costs/Year**

<b>Cows</b>	<b>Fixed Cost Per Cow</b>
<b>100</b>	<b>\$ 500</b>
<b>200</b>	<b>250</b>
<b>400</b>	<b>125</b>
<b>800</b>	<b>63</b>
<b>1000</b>	<b>50</b>
<b>2000</b>	<b>25</b>

# SWINE FARM

## Estimated Profit 1200 Sows Farrow-to-Finish

Unit Size	\$ /cwt.		
	30	35	40
(\$1000)			
150	-626	-330	- 33
300	-572	-237	99
600	-421	- 47	326
1200	-313	61	435

# **Ultimate Drivers of Change**

## **CMI**

- Cost Control**
- Quality**
- Profit**

## **Consumer Wants/Needs**

- Quality and Choice**
- Price**
- Use of Time and \$**

## **Market**

- Transmit Signals**
- Elicit Desired Production**
- Fulfill Consumer Desires**



# **CONCLUSION**

**Consumer Demands  
Have Created  
Unintentional Change**

**Farm Managers  
Have Created  
Purposeful Change**